



# U.S. Department of Education Employer's Handbook

For Processing



## *Administrative Wage Garnishment*



6/9/00

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**THE UNITED STATES DEPARTMENT OF EDUCATION**  
**Administrative Wage Garnishment Compliance Branch**

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Dear Employer:

When a borrower repays a federal government student loan everyone benefits. The borrower maintains a good credit rating; lawmakers continue their support of the loan program -- enabling more people to pursue educational dreams and providing an educated work force for employers; and fewer taxpayer dollars are needed to pay for the loan program.

Although more than 85percent of borrowers repay their loans, student loan defaults do occur, and the issue of defaults is a serious problem.

As the administrator of the Federal Family Education Loan Program (FFELP) the U. S. Department of Education (ED) pursues collection of student loans aggressively through borrower contact, credit reporting, litigation, collection agencies and Federal tax offset. ED also uses another tool for collection of defaulted student loans-- withholding of wages from defaulted borrowers. Federal law (P.L 102-164; 20 U.S.C. § 1095a et. Seq.) allows for wage withholding.

Since ED implemented its Wage Withholding in 1993, the collection of defaulted student loans has increased dramatically. The cooperation from employers has contributed and will continue to contribute to the significant results in this program. The handbook included with this letter will provide you with more information about the wage withholding program and how it works. ED has worked to minimize any direct impact the program might have on your business operations. If you have any questions, please contact ED's Administrative Wage Garnishment Compliance Branch (AWG/NCE) at (404) 562-6013.

The Wage Withholding Program ensures that those borrowers who were assisted by the FFELP pay their debts so that others may receive assistance to pursue educational dreams. Thank you for working with us on this important program.

Sincerely,

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Administrative Wage Garnishment  
Compliance Branch

# *The Student Loan Program*

## *Program Overview*

The Federal Family Education Loan program, formerly called the Guaranteed Student Loan Program, was created by the Higher Education Act of 1965 in an effort to provide incentives for the use of private capital to fund low-interest long-term loans for postsecondary education. Students go to private lenders for an education loan, and the lenders' risk is nearly eliminated by a guarantee from the federal government.

Guarantee agencies handle the administration of the loan program at the state level on behalf of ED, including the loan guarantee, claim payment, compliance with student loan regulations, and collection of defaulted loan. When a student fails to repay the loan and enters default (becomes 180 days past due), the holder of the loans files a claim with the guaranteed agency for the loan balance. The guarantee agency examines the claim to ensure that it was properly serviced by the lender and pays the lender. Once a claim is paid, the guarantee agency files for re-insurance on the loan with ED. At the same time, the guarantee agency collection efforts, including everything from phone or letter contacts to withholding IRS refunds, from defaulted borrowers.

## *Default Rates*

Most students repay their debts. However, between 10 percent and 15 percent of the borrowers in this program do not repay their loans. Many of these borrowers are employed and able to make payments. When borrowers default, it is ultimately the taxpayers that pay the expense for their education loans.

## *Default Prevention and Collection*

A number of regulations and incentives have been put into place to prevent the default rate from rising. In addition Congress has authorized guarantee agencies and ED to collect on defaulted loans through the administrative withholding of a defaulted borrower's wages.

## *Legislative Authority for Wage Withholding*

P.L. 102-164; 20 U.S.C. §1095a et seq. (Emergency Unemployment Compensation Act) allows ED to administratively garnish up to 10 percent of the debtor's disposable pay of the amount permitted by 15 U.S.C. §1673, unless the debtor provides ED with written consent to deduct a greater amount. This amount shall be deducted until the loan has been paid in full. This law supersedes any state's laws governing wage garnishment.

ED believes wage withholding encourages many employed defaulted borrowers to repay their loans. In those cases where borrowers continue to refuse to honor their obligations, wage withholding is an effective debt collection tool.

# Basic Steps Employers Follow for Withholding

## Procedure:

| Step | Action   |
|------|--|
| 1.   | <p>Read Order for Withholding of Employee Wages (the Order). It contains the instructions on how to withhold and pay the required amounts. <b>Check</b> the employee's name, address, and social security number contained in the Order against your records. You are requested to <b>complete and return</b> the Employer Acknowledgement of Wage Withholding from (Attachment A) ("Acknowledgement") immediately. Your liability for withholding begins when you receive the Order, not when you submit the Acknowledgement.</p> <p>If, when you receive the Order, you no longer are obligated to pay the employee (for example, because the employee's employment was involuntarily terminated or the employee left for another job), promptly complete and submit the Acknowledgement, including the employee's last known address and, if known, the name and address of the employee's new employer, if any.</p> <p>If your obligation to pay the employee ends after you have received the Order, promptly complete and submit a Notice of Change of Employment form (Attachment B). Remember that income earned up to the termination date and any other compensation, such as severance pay, are subject to withholding.</p> |
| 2.   | <p>Calculate and deduct the amount to be withheld from the borrower's pay for the first pay period that occurs after the employer receives the Order, using the Administrative Wage Garnishment withholding worksheet. (Attachment D)</p>  |
| 3.   | <p>Send the amount deducted to ED according to the instructions. <b>Submit the amount withheld</b>, payable to the U.S. Department of Education to:</p> <p>U.S. Department of Education<br/>National Payment Center<br/>P.O. Box 4142<br/>Greenville, TX 75403-4142.</p> <p>Your check should include:</p> <ul style="list-style-type: none"><li>• employee name and Social Security number;</li><li>• employer name and Federal Employer Identification Number; and</li><li>• notation indicating that it is a wage withholding payment.</li></ul> <p>If you are making payments for two or more employees, you may combine payments as long as the check stub or transmittal sheet properly identifies the amount remitted for each employee.</p>  |
| 4.   | <p><b>Repeat steps 2 and 3</b> for each pay period until (a) the Department provides you with a Release; or (b) your obligation to pay the employee ends. Although deductions are to be made at each pay period, remittance need only be made once each month. You are not required to change normal pay and disbursement cycles to comply with the Order.</p>   |

# *Employer Notification*

## ***ED's Action***

ED sends the employer an Order for Withholding of Employee Wages from earnings form, which provides the borrower's name, address, and social security number as well as instructions for withholding. A sample form is provided as (Attachment A).

## ***Employer's Action***

Employers should respond by completing and returning the Employer Acknowledgement of Wage Withholding form (Attachment B) within 10 business days. If the borrower is no longer employed by your organization when you receive the Order, simply indicate this on the form and return it to ED or call the Administrative Wage Garnishment Branch at 404-562-6013.

## ***Employee Notification***

The borrower will already have been given notice that withholding will occur. Before an employer receives an order, the borrower has received:

- Many notices of delinquency and finally a Notice Prior to Wage Withholding,
- An opportunity to contest the withholding and information about his or her rights and responsibilities in the process, and
- An opportunity to avoid wages withholding by entering into a voluntary repayment agreement with ED or assigned collection agency.



# *ED's Notification*

## ***Employment Confirmation Report***

Each quarter the employer will receive an Employment Confirmation Report. It will ask the employer for an update of the employee's status if needed. The employee's account balance will be listed. Keep in mind that ED's balance reflects interest and fee accrual on the employee's account since it entered ED's system and may not reflect the balance the employer has for the employee. If you have any questions regarding the account balance call (404) 562 - 6013.

## ***X-89 Letter***

The X-89 letter will advise that ED's records reflect that you complied with the withholding order and began remitting payments for your employee; however, ED has not received payment from you within the last 45 days. You will be advised to make the payment within 30 days of the date of the letter or ED will pursue enforcement of the garnishment order in Federal court.

# *Amount of Withholding*

The instructions below explain how to calculate the amount of earnings to be withheld.

| Step | Action  |
|------|---|
| 1.   | Read the Order  |
| 2.   | Identify the borrower named in the Order.   |
| 3.   | Identify the debtor's gross earnings for the pay period. "Earnings" of the borrower means compensation paid or for payable personal services, whether denominated as wages, salary, commission, bonus, or otherwise.  |
| 4.   | Identify amounts, which can be excluded from withholding. These are limited to amounts required by law to be withheld, such as state (if applicable) and federal income tax, Federal FICA or OASI tax (Social Security). The employer should not include deductions for savings bonds, employee contribution to retirement plans or health insurance, and the like. |
| 5.   | Calculate disposable earnings by subtracting excluded amounts (step 4) from the debtor's gross earnings (step 3).   |
| 6.   | Compute the required withholding by multiplying the borrower's disposable earnings (step 5) by .10. The result is the amount to withhold from the borrower's wages each payday. The employer may round off the figure to a flat dollar amount so long as the resulting figure does not exceed 10 percent of the borrower's disposable pay.                          |

# *How to Remit Withheld Earnings*

| Step | Action  |
|------|---|
| 1.   | Cut a check for the required amount calculated according to the instructions above. Make checks payable to the U. S. Department of Education.   |
| 2.   | Be sure each check includes the information listed below: <ul style="list-style-type: none"><li>• Borrower's name</li><li>• Borrower's Social Security Number</li><li>• Employer name</li><li>• Notation indicating that this is a wage withholding payment (or payments)</li><li>• Employer's Federal Employer Identification Number</li></ul> |

|    |   |
|----|---|
| 3. | <p>Send the check to:<br/> U.S. Department of Education<br/> National Payment Center<br/> P.O. Box 4142<br/> Greenville, TX 75403-4142.</p> |
|----|---|

## ***Frequency of Payment***

Although deductions should be made at each pay period, whether weekly, bi-weekly, semi-monthly, etc., remittance to ED need not be made more than once each month. The employer is not required to change normal pay and disbursement cycles to comply with the Order.

## ***Two or More Borrowers***

If the employer is making payments to ED for two or more borrowers, the employer may combine the [payments as long as the check stub or manifest details each employee's name and social security number and the amount remitted for each borrower.

# ***Multiple Withholdings***

## ***Informing ED***

If you receive an Order of Withholding from ED for a borrower who is subject to other garnishment, you must inform ED in writing or by phone that other garnishments apply. ED will provide assistance in determining how to proceed. It is particularly important that you contact ED when multiple garnishments prohibit you from withholding or otherwise change the amount you are required to withhold. You should always wait for a Release of Order of withholding before stopping the garnishment payments to ED.

## ***Limits Required by Law***

The Consumer Credit Protection Act (15 USCA Section 1671 et seq.) provides for a 25 percent limit to the total amount of wages which can be withheld from an individual (The limit is 50-60 percent for child support garnishments). If the borrower in question is subject to multiple withholding of garnishments, this limit may affect the amount, which may be withheld for student loan debts. Requirements for calculating these limits are very specific. For more information, please refer to 29 CFR 870.1, Subpart B. As a general rule, if the debtor already has 25 percent or more of his or her wages withheld at the time you receive the Order, you may not withhold additional amounts for student loan debts. If the amount withheld is less than 25 percent, however, You should still withhold up to the limit but contact ED in writing or by phone.

## ***Multiple Student Loan Garnishment***

If the employee is subject to multiple garnishments during a pay period, Federal law ([see](#) 15 USC Section 1673 and F.A.Q. #1, below) may limit your ability to withhold, for that pay period, the full amount called for under the Order. Specifically, under Federal law, the sum of all garnishments ([e.g.](#), even for more than one student loan creditor) cannot exceed an aggregate amount equal to 25% of disposable pay. If this rule limits what you can withhold, you must inform us, in writing, immediately.

ED requires compliance with request for multiple garnishments on student loan debts on a borrower/employee if the first garnishment results in a withholding of less than 25 percent of the employee's disposable pay. This includes garnishment orders from a guarantor and ED or orders from more than one guarantor. Multiple garnishments cannot cause the total amount of wages withheld from an employee's disposable pay to exceed 25 percent, however, with certain exceptions. The total amount garnished will vary from 25 percent if:

- An order is for child support, which in some cases maybe up to 60 percent of an employee's disposable pay is subject to garnishment.



- The amount by which the employee's disposable pay exceeds 30 times the minimum wage is less than 25 percent of the employee's earnings, in which case the lesser amount is the maximum amount, which can be withheld. 15 USC §1673(a)(2).

A "first-in-time" rule applies to multiple garnishments for student loans debts; that is, an employer must honor the first order it receives, to the fullest extent that an employee's earnings are eligible for withholding. If, after application of the first student loan garnishment, additional earnings are eligible for withholding, the employer should then apply the next student loan withholding order it has received, to the extent earnings remain eligible for withholding. Please note that if no amount of an employee's disposable pay, an employer must still notify ED regarding its inability to comply, or fully comply, with the garnishment order.

## ***Priorities:***

Generally, garnishments must be satisfied in the order in which they are issued to the employer, up to the maximum amount subject to that kind of garnishment order.

- Be sure to check the effective duration of any state law garnishments. Many of them remain in effect only for a limited time; when they lapse, the next-in-line garnishment would take over.
- Federal student loan garnishments (such as the Order) do not have duration limitations; they do not end until (a) the debt is paid in full (NOTE: the total amount the employee owes is more than the amount indicated in the Order under "Total Amount Currently Due" because, among other things, interest continues to accrue) on the unpaid principle balance; (b) your obligation to pay the employee otherwise has ended; (c) a bankruptcy "stay" suspends the garnishment; or (c) the debt is discharged or otherwise resolved.
- Garnishments for child support or IRS levy take precedence over withholding for student loan debts, regardless of when they begin. If you receive a garnishment order for child support or IRS levy after you have received our AWG Order, contact us at 404/562-6013.

\* This information reflects the Department's understanding concerning the general aspects of multiple withholding under AWG but is not intended as legal advice.

## ***Changes in Calculation***

Amounts garnished for Child support and IRS levies should be deducted from gross wages along with other deductions required by the law to be withheld. The amount remaining after these deductions is called disposable pay. The 10 percent calculation should be made based on the remaining disposable pay.

# ***When to Stop Withholding***

## ***Stop Wage Garnishment Letter***

To inform an employer to stop withholding, ED's Administrative Wage Garnishment system will send a Release from the Order of Withholding. (Attachment) The employer should continue to withhold earnings from the borrower's paycheck until notified by such a release that the employer is no longer responsible for withholding earnings of the borrower.

## ***When the Borrower Ends Employment***

When a borrower for whom the employer has been withholding earnings terminates (voluntary or involuntary) employment with that organization, the employer should notify ED in writing or by phone within 10 business days. In addition, the employer must also supply the borrower's last known address and the name and address of his or her new employer, if known. This requirement will help ensure that the borrower can be located and that the new employer will be notified promptly of the withholding requirement. Income earned up to the termination date and any other compensation, such as severance pay, are subject to withholding. A form for this purpose (Attachment B) has been provided in this handbook for your convenience. Please make many copies as you need.

## ***When the Borrower Files Bankruptcy***

When a borrower for whom the employer is withholding earnings has notified the employer that he/she has filed bankruptcy, the employer must stop withholding and notify ED in writing, or send in a copy of the bankruptcy petition (if borrower has properly listed ED, a notice will be sent to the Litigation Unit) or by phone with the borrower's case number, district court in which the bankruptcy was filed and date of filing.

## ***When the Employer Files Bankruptcy***

When the employer, files bankruptcy (Chapter 11), they must continue withholding earnings. If the Chapter 11 converts to a chapter 7, the employer must provide ED with a copy of the conversion.

## ***Your Compliance is Mandatory!***

Employers can help keep taxpayers cost down for the student loan program by complying with these wage withholding procedures. There are penalties for non-compliance with the Order and for retaliation against employees.

Federal law [(20 USC §1095a(a)(6))] makes you liable for any amount that you should but do not, withhold following receipt of the Order. The Department may sue you in Federal court to recover those sums, together with attorney's fees, costs and, in the court's discretion, punitive damages. Under that same law [(20 USC §1095a(a)(8)], you may not discharge, refuse to employ, or take disciplinary action against an individual just because that individual is subject to AWG. That individual may sue you if you take such action and, if he or she prevails, the court will award attorney's fees and, in its discretion, may order, among other things, reinstatement, punitive damages and back pay.

Termination of the employee's employment after you receive the Order does not terminate your liability for amounts you were supposed to have withheld.

Under Federal law, an employer may not discharge from employment, refuse to employ, or take disciplinary action an individual simple because that individual is subject to wage withholding. The affected employee may sue an employer who takes such action, and should the employee prevail, the court must award attorney's fees, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonable and necessary.



## ***F. A. Q's and Employer's Inquiries:***

1. If someone else already is garnishing my employee's disposable pay, do I still have to comply with the AWG Order?

**Yes, but the amount you must withhold may be reduced.** The law (15 USC §1673) imposes a maximum on how much can be garnished at any one time; currently, that maximum is 25% of the employee's disposable pay. So if that current garnishment is taking, for example, 20%, the AWG Order (assuming it is next in line) is still operable to the extent of the remaining 5% of the employee's disposable pay. On the other hand, if the prior garnishment(s) account for 25%, then nothing would have to be withheld under the AWG Order, at least until the prior garnishment(s) was satisfied or expired.

**Remember:** that same Federal law also protects from garnishment a "floor" level of income equal to 30 times the Federal minimum wage per week.

**Remember:** some garnishments expire (AWG Orders do not) even before the full amount has been paid, and once a prior garnishment expires (or is satisfied) the next in time garnishment usually takes over.

2. The AWG Order is not signed; do I have to honor it?

**Yes.** The law (20 USC §1095a) does not require that the Order be signed to be valid and legally binding. However, if you have any question about the Order's authenticity, please contact the Administrative Wage Garnishment Compliance Branch at (404) 562-6013.

3. I am told that my state law forbids wage garnishment, so can't I just ignore the AWG Order?

**No.** A Federal law (20 USC §1095a) which specifically preempts State law authorizes AWG.

4. What are the consequences if I fail to comply?

**A non-compliant employer will be liable** for, and subject to, suit by the Department to recover any amount that the employer fails to withhold after receipt of the AWG Order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages.

5. Can I impose a fee for administering this? If I can, who pays?

**That depends on the state;** some states permit the imposition of a fee or charge on the employee. Federal law does not address the issue. You should check your state's law.

6. You feel that the private collection agency is attempting fraud by misrepresenting themselves as a branch of the federal government.

Private collection agencies are contracted on behalf of the U.S. Department of Education (ED). They are not operating under a guaranty agency; therefore, the authority is direct from the

Secretary of Education. You will also note that the Order has been issued on the letterhead of the U.S. Department of Education, not the private collection agency, is the customer service provider.

- 7. Borrower states he/she handles payroll and will not garnish his/her own salary.**

The borrower is not the employer you are. Your company has refused to comply with the U.S. Department of Education's (ED) wage garnishment order.

- 8. Your company was advised by your attorney not to honor the wage garnishment Order. Your agency does not garnish employee wages. You were advised by the Comptroller General's office not to honor wage garnishments.**

Please note that 20 U.S.C. § 1095a states that the employer's failure to comply with this wage garnishment order will make the employer liable for any amounts that are not so withheld as well as for any collection costs incurred by ED as result of legal action taken.

- 9. The borrower's salary is currently being garnished to collect on another defaulted student loan held by the New York Higher Education Assistance Agency and you will implement the U.S. Department of Education's wage garnishment order after that garnishment order is satisfied in full.**

Please note that 15 U.S.C. Section 1673 states that salaries may be garnished a maximum of 25% of an employee's disposable pay; therefore, both garnishment order (each taking 10% of disposable pay) can be satisfied simultaneously.

- 11. The employee's salary is subject to a prior garnishment and your company is only allowed to pay one garnishment at a time.**

If the first in time garnishment results in a withholding of less than 25% of the employee's disposable pay, the U.S. Department of Education's (ED) wage garnishment order is still operable to the extent that no more than 25% of the employee's disposable pay is garnished in total (either single or multiple garnishments). For example, if an employee's salary is already being garnished, but that prior garnishment only garnishes 15% of that employee's disposable pay, ED can collect the full 10% to which is entitled under 20 U.S.C. § 1095a. On the other hand, if the prior garnishment garnishes 20% of the employee's disposable pay, then ED may collect only 5% until the prior order is fully satisfied or terminated.

- 12. I have deducted the amount given to me on the first order, should I stop garnishing the employee's wages?**

**No.** Interest and fees continue to accrue on the unpaid principal balance. Your balance will not reflect the interest and fee accrual. You should contact the U.S. Department of Education before you stop the deductions.

13. **My employee resigned his position and took a job with a new company to avoid garnishment. What should I do?**

You should notify the U.S. Department of Education of the borrower's work status including last date of employment, current address, and your tax ID number. Provide ED with the employee's new employment information if available.

## *OBJECTIONS Raised by Employers*

1. **There is a state law that prevents wage garnishments in the state in which you reside.**

Your objection is not valid because the wage garnishment statute, 20 U.S.C. § 1095a, expressly preempts any state law. For your convenience, the U.S. Department of Education (ED) attaches a copy of this statute. Please refer to the language of the statute that read, "(n)ot withstanding any provision of state law..." 20 U.S.C.

2. **Michigan (or whatever state objecting) state law does not recognize wage assignments; there must be a court order or levy before a garnishment can occur.**

The federal administrative wage garnishment statute, 20 U.S.C. § 1095a, expressly displaces any state law to the contrary with respect to student loan garnishments. For your convenience, ED attaches a copy of this statute. Please refer to the language of the statute that reads, "withstanding any provision of state law..." 20 U.S.C. § 1095a(a).

3. **The employer calls concerning the Quarterly Confirmation Report balance.**

The report only reflects principal and interest (ED's balance) because the collection agency fees are projected. Near the end of the garnishment the employer will be notified of the remaining balance.

Employers with additional questions about wage withholding for defaulted student loans should contact: Administrative Wage Garnishment Compliance Branch, 404-562-6013.

*§ 488A of the Higher Education Act of 1965, as amended, 20 U.S.C. Section 1095a, provides as follows:*

Wage garnishment requirement

(a) Garnishment requirements

Notwithstanding any provision of State law, a guaranty agency, or the Secretary in the case of loans made, insured or guaranteed under this title that are held by the Secretary, may garnish the disposable pay of an individual to collect the amount owed by the individual, if he or she is not currently making required repayment under a repayment agreement with the Secretary, or, in the case of a loan guaranteed under part B of this subchapter on which the guaranty agency received reimbursement from the Secretary under section 428(c) of this title, with the guaranty agency holding the loan, as appropriate, provided that--

(1) the amount deducted for any pay period may not exceed 10 percent of disposable pay, except that a greater percentage may be deducted with the written consent of the individual involved;

(2) the individual shall be provided written notice, sent by mail to the individual's last known address, a minimum of 30 days prior to the initiation of proceedings, from the guaranty agency or the Secretary, as appropriate, informing such individual of the nature and amount of the loan obligation to be collected, the intention of guaranty agency or the Secretary, as appropriate, to initiate proceedings to collect the debt through deductions from pay, and an explanation of the rights of the individual under this section;

(3) the individual shall be provided an opportunity to inspect and copy records relating to the debt;

(4) the individual shall be provided an opportunity to enter into a written agreement with the guaranty agency or the Secretary, under terms agreeable to the Secretary, or the head of the guaranty agency or his designee, as appropriate, to establish a schedule for the repayment of the debt;

(5) the individual shall be provided an opportunity for a hearing in accordance with subsection (b) of this section on the determination of the Secretary or the guaranty agency, as appropriate, concerning the existence or the amount of the debt, and, in the case of the individual whose repayment schedule is established other than by a written agreement pursuant to paragraph (4), concerning the terms of the repayment schedule;

(6) the employer shall pay to the Secretary or the guaranty agency as directed in the withholding order issued in this action, and shall be liable for, and the Secretary or the guaranty agency, as appropriate, may sue the employer in a State or Federal court of competent jurisdiction to recover, any amount that such employer fails to withhold from wages due an employee following receipt of such employer of notice of the withholding order, plus attorneys' fees, costs, and, in the court's discretion, punitive damages, but such employer shall not be required to vary the normal pay and disbursement cycles in order to comply with this paragraph;

(7) if an individual has been reemployed within 12 months after having been involuntarily separated from employment, no amount may be deducted from the disposable pay of such individual until such individual has been reemployed continuously for at least 12 months; and

(8) an employer may not discharge from employment, refuse to employ, or take disciplinary action against an individual subject to wage withholding in accordance with this section by reason of the fact that the individual's wages have been subject to garnishment under this section and such individual may sue in a State or Federal court of competent jurisdiction any employer who takes such action. The court shall award attorneys' fees to a prevailing employee and, in its discretion, may order reinstatement of the individual, award punitive damages and back pay to the employee, or order such other remedy as may be reasonably necessary.

(b) Hearing requirements

A hearing described in subsection (a)(5) of this section shall be provided prior to issuance of a garnishment order of the individual, on or before the 15th day following the mailing of the notice described in subsection (a)(2) of this section, and in accordance with such procedures as the Secretary or the head of the guaranty agency, as appropriate, may prescribe, files a petition requesting such a hearing. If the individual does not file a petition requesting a hearing prior to such date, the Secretary or the guaranty agency, as appropriate, shall provide the individual a hearing under subsection (a)(5) of this section upon request, but such hearing need not be provided prior to issuance of a garnishment order. A hearing under subsection (a)(5) of this section may not be conducted by an individual under the supervision or control of the head of the guaranty agency, except that nothing in this sentence shall be construed to prohibit the appointment of an administrative law judge. The hearing official shall issue a final decision at the earliest practicable date, but not later than 60 days after the filing of the petition requesting the hearing.

(c) Notice requirements

The notice to the employer of the withholding order shall contain only such information as may be necessary for the employer to comply with the withholding order.

(d) "Disposable pay" defined

For the purpose of this section, the term "disposable pay" means that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by law to be withheld.

(Pub.L. 89-329, Title IV, § 488A, as added Pub.L. 102-164, Title VI, § 605(a), Nov. 15, 1991 105 Stat. 1066.)



# UNITED STATES DEPARTMENT OF EDUCATION

Atlanta Federal Center Tower  
61 Forsyth Street, SW, Room 19T89  
Atlanta, GA 30303

ATLANTA SERVICE CENTER

## 'FACSMILE'

(First Notice to Employer)

SSN:  
NAME:  
BAL:

### ORDER FOR WITHHOLDING OF EMPLOYEE WAGES FOR DEBT OWED TO U.S. GOVERNMENT

Pursuant to Section 488A of The Higher Education Act of 1965, as amended, (20 U.S.C. 1095a), and notwithstanding any provision of state law to the contrary, the Secretary of Education orders you to withhold and remit to the U.S. Department of Education at the address listed below 10% of the weekly disposable wages per pay period, or such lesser amount as permitted by Federal law, of the above-referenced individual on account of a debt owed the U.S. Department of Education (ED).

Notice of this action has previously been sent to this individual, and he/she has been afforded the mandatory due process. For your information, a copy of Section 488A of the Higher Education Act of 1965, as amended, (20 U.S.C. 1095a), which authorizes this action, is enclosed.

Disposable pay is defined as that part of the compensation of any individual from an employer remaining after the deduction of any amounts required by law to be withheld.

Pursuant to this order, you are to begin withholding from the disposable wages of referenced employee the lesser of

- (a) 10% of the disposable wages of the employee, or
- (b) the amount, if any, by which the employee's disposable wages for each workweek 0 in a pay period exceeds \$142.50.

Please make all payment instruments payable to "U.S. Department of Education" and include the employee's name and Social Security Number on the face of the payment instrument.

Payment To: U.S. Department of Education  
National Payment Center  
P.O.Box 4142  
Greenville, TX 75403-4169

YOU ARE REQUESTED, BUT NOT REQUIRED UNDER LAW, TO COMPLETE AND RETURN THE ENCLOSED "Acknowledgement of Withholding" to the Customer Service address below within 30 days of this order.

(ATTACHMENTS ARE BELOW)





THE UNITED STATES DEPARTMENT OF EDUCATION  
ATLANTA SERVICE CENTER  
61 Forsyth Street., Room 19T89  
Atlanta Federal Center Tower  
Atlanta, GA 30303

(Second Notice to Employer)

'FACSMILE'

<MM/DD/YY>

<Employer Name>  
<STREET1>  
<CSZ>

<SSN>  
<STUD-NAME>  
<BALANCE>

**SECOND ORDER FOR WITHHOLDING OF EMPLOYEE  
WAGES DUE TO DEBT OWED TO U.S. GOVERNMENT**

Please refer to the enclosed facsimile of the original Order for Withholding pertaining to the above individual previously issued by the U.S. Department of Education (ED) in pursuance of Section 488A of the Higher Education Act of 1965, as amended, (20 U.S.C. 1095a). ED's records reflect that, as of the date of this Second Order, we are not in receipt of any remitted payment by your firm in response to that order.

In the event that your firm has not remitted payment for this employee because the employee's next pay period has not yet occurred, because the amounts that may lawfully be withheld are currently subject to claims of other parties that have legal priority over this claim, or if you have been remitting the required wage withholding payment(s) for this employee to ED, please contact the Customer Service number shown below to resolve this issue.

Section 488A of the Act authorizes ED to sue any employer who fails to withhold and remit wages after receipt of an Order for Withholding. In such situation, ED is entitled to seek the amount that your firm has failed to withhold as well as attorney's fees, costs, and punitive damages from your firm. Unless we receive either the first of the required withholding payments or an explanation of a valid basis for not making such payment from your firm within 30 days of the date of this letter, ED will pursue enforcement of the garnishment order in Federal Court.

We appreciate your prompt attention to this matter.

Payments to: U.S. Department of Education  
National Payment Center  
P.O. Box 4142  
Greenville, Texas 75403-4169

Customer Service: Collection Agency  
Borrower's POB Correspondence Address  
(999) 999-9999

Enclosure

(ATTACHMENTS ARE BELOW)

**EMPLOYER ACKNOWLEDGEMENT OF WAGE WITHHOLDING**

(Return to Customer Service within 30 days)

In Regards to the Student Loan Debt of \_\_\_\_\_

I, \_\_\_\_\_, on behalf of (Business Name) \_\_\_\_\_  
acknowledge receipt of this order for the withholding of the disposable pay of the above referenced employee, each pay  
period.

- ☐ The above-named person is an employee of this company and payments of approximately \$\_\_\_\_\_ (10% of  
disposable pay) will be forwarded to the US Department of Education on a \_\_\_\_\_  
(weekly/biweekly/monthly/other) basis.
- ☐ The above-named person is an employee of this company and payments of approximately \$\_\_\_\_\_ (the amount  
by which the employee's disposable wages for each workweek in a pay period exceeds \$\_\_\_\_\_) will be forwarded  
to the U.S. Department of Education on a \_\_\_\_\_ (weekly/biweekly/monthly/other)basis.
- ☐ The correct business office and official to receive future notices and updates on this matter, and their office address  
and phone number are:

The preceding order was forwarded to that office on \_\_\_\_\_.

- ☐ The above-named person is no longer employed by this company and was:

Involuntarily terminated on: \_\_\_\_\_; or voluntarily terminated employment on:

Reason \_\_\_\_\_.

Employee's Last Known Address:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

New Employer and Phone Number:

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

(Date)

(Signature and Title)

\_\_\_\_\_  
(Telephone Number)

## EMPLOYER NOTICE OF CHANGE IN EMPLOYMENT

In Re:

Student Loan Debt of \_\_\_\_\_  
(Name and SSN)

I, \_\_\_\_\_, on behalf of (Business Name) \_\_\_\_\_ notify  
the U. S. Department of Education of the following information:

Involuntarily terminated on: \_\_\_\_\_; or voluntarily terminated employment on:  
Reason \_\_\_\_\_.

Employee's Last Known Address \_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

New Employer and Phone Number (if available)  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

\_\_\_\_\_  
(Signature of Official for  
Implementing Office)

\_\_\_\_\_  
(Date)

\_\_\_\_\_  
(Telephone Number)

Please return this form  
within 10 business days to:

Customer Service, Attention: AWG  
U.S. Department of Education  
P.O. Box 4142  
Greenville, TX 75403-4142  
404-562-6013



# THE UNITED STATES DEPARTMENT OF EDUCATION

ATLANTA SERVICE CENTER  
ADMINISTRATIVE WAGE GARNISHMENT/ COMPLIANCE BRANCH  
61 FORSYTH STREET, ROOM 19T89  
ATLANTA, GEORGIA 30303-3104

RE:  
SSN:

## **NOTICE OF CANCELLATION OF ORDER FOR WITHHOLDING OF WAGES**

The Order for Withholding of Employee Wages issued by the U.S. Department of Education (ED) on the above date for the above referenced employee is cancelled. ED requests that you cease any further action to withhold or remit wages pursuant to this order.

Please contact the customer service number listed below if you have any questions.

Customer Service:

U.S. Department of Education  
P.O. Box 4222  
Iowa City, Iowa 52245  
1-800-621-3115

---

Loan Analyst  
Atlanta Service Center

## **ATTACHMENT D**

### **AWG WITHHOLDING WORKSHEET**

(See **AWG WORKSHEET INSTRUCTIONS** on reverse side)

For the \_\_\_\_\_ pay period ending \_\_\_\_\_  
(type) (date)

- |     |  |             |
|-----|--|-------------|
| 1.  | Enter employee's disposable pay  | 1. \$ _____ |
| 2.  | Multiply the amount in Line 1 by 10% (.10)   | 2. _____    |
| 3.  | Multiply the amount in Line 1 by 25% (.25)   | 3. _____    |
| 4.  | Enter the applicable Federal minimum hourly wage   | 4. _____    |
| 5.  | Multiply the amount in Line 4 by 30 for each<br>workweek in the pay period                       | 5. _____    |
| 6.  | Subtract Line 5 from Line 1  | 6. _____ *  |
| 7.  | Enter the sum of all other garnishments being<br>withheld from disposable pay                    | 7. _____    |
| 8.  | Subtract Line 7 from Line 3  | 8. _____ *  |
| 9.  | Subtract Line 7 from Line 6  | 9. _____    |
| 10. | Enter the lesser of Lines 2, 8 or 9  | 10. _____   |
| 11. | Remit the amount entered on Line 10 (Make checks payable to the U.S. Department of<br>Education) |             |

\*If this amount is zero or less, no remittance is required for this pay period

# AWG WORKSHEET INSTRUCTIONS

Use the AWG WORKSHEET to calculate the amount of withholding for each pay period. At the top of each sheet, identify the **type of pay period** (e.g., weekly, bi-weekly, monthly, etc.) and the **end date of that period** in the spaces indicated.

**LINE 1:** “Disposable pay” is determined by (a) calculating the total compensation paid or payable for the employee’s services (e.g., wages, salary, commissions, bonuses, severance pay, etc.); and (b) subtracting from that amount the sum of all amounts required by law to be withheld from that compensation, such as state (if any) and Federal income tax, and Federal FICA or OASI tax (social security). You should not subtract amounts withheld for savings bonds, employee contributions to retirement plans or health insurance, and the like. Also, **be sure that you do not subtract garnishments**; these are considered instead in LINE 7.

**LINE 2:** Under 20 USC §1095a(a)(1), the amount deducted for any pay period may not exceed 10% of disposable pay, unless the individual consents, in writing, to a greater percentage.

**LINE 3:** The Consumer Credit Protection Act (15 USC §1671 et seq.) provides that, except in certain limited circumstances, the maximum part of the aggregate disposable earnings of an individual for any workweek which is subject to garnishment may not exceed 25%.

**LINE 4:** Be sure to enter the correct Federal minimum hourly wage. As of June 2000, the Federal minimum wage is \$5.15 per hour.

**LINE 5:** The Consumer Credit Protection Act excludes from garnishment a “floor” level of disposable pay per workweek in an amount equal to 30 times the Federal minimum hourly wage. Assuming a minimum wage of \$5.15 per hour (as of June 2000) LINE E is, for example, \$154.50, if the employee is paid weekly; \$309.00 if the employee is paid every other week; \$334.75 if the employee is paid twice per month; and \$669.50 if the employee is paid monthly.

**LINE 7:** If the employee is subject to multiple garnishments during a pay period, Federal law may limit your ability to withhold, for that pay period, the full amount called for under the Order. For further information, please refer to the section in your Handbook on “Multiple Withholding”.

**LINE 10:** Of the amounts calculated in Lines 2, 8 and 9, insert here whichever amount is lowest.

**LINE 11:** You may round off the figure to a flat dollar amount, so long as the resulting figure does not exceed Line 9.



UNITED STATES DEPARTMENT OF EDUCATION  
Atlanta Service Center, DCS, SFAP, OPE  
Contract Services Branch  
Atlanta Federal Center Tower  
61 Forsyth Street, SW, Room 19T89  
Atlanta, GA 30303

(First Notice to Borrower)

## 'FACSMILE'

<STUD-NAME>  
<ACCT-STREET1>  
<ACCT-CSZ>

<SSN>  
<BALANCE>  
Response Deadline:

### NOTICE OF PROPOSED WAGE GARNISHMENT DUE TO DEBT OWED TO U.S. GOVERNMENT

This notice is to advise you that the U. S. Department of Education (ED) intends to order your employer to begin withholding up to 10% of your disposable wages for repayment of your defaulted student loan, and to explain your rights and how to exercise them to prevent garnishment. The legal basis for this action is Section 488A of the Higher Education Act of 1965, as amended, (20 U.S.C. 1095a).

To prevent collection through a wage garnishment order, you must establish a written agreement with ED to repay this debt on terms satisfactory to ED in monthly installments that are equal to 10% of your disposable pay for the month. You must make your first payment on or before the response deadline noted above. The balance stated above includes the principal loaned, accrued interest, and assessed fees, less any payments, refunds, or offsets received. \*\*\*Compliance with this repayment arrangement or any other satisfactory arrangement reached now with ED for six consecutive months will make you eligible for new Federal student financial assistance; compliance for twelve consecutive months may cure your default status on your credit bureau records and restore deferment and other benefits that were available on your loans.\*\*\* For more information, you should contact the Customer Service number noted below.

ED will cancel a Wage garnishment action if ED receives payment-in-full to the National Payment Center at the address shown below. Make all payment instruments payable to "U.S. Department of Education" and include your name and Social Security Number on the face of the payment instrument.

**If you do not exercise your rights as described below in a timely manner, or you do not make a repayment agreement, or you later fail to make the payments required by such agreement, ED will order your employer to deduct 10% of your disposable pay each pay period commencing from the date of the Order for Withholding, and continuing until the balance is paid-in-full.** (NOTE: The amount actually withheld to pay this debt may be less than 10% of disposable pay, depending on your income and other claims against you. The unpaid principal portion of the balance noted above will continue to accrue interest.

You have the following rights regarding this action:

1. You have the right to an opportunity to inspect and copy ED records relating to your debt. Request such documents through the Customer Service number noted below. (A request for documents will not delay wage garnishment proceedings unless you also timely object to garnishment in the manner specified in this notice.)
2. You have the right to object to the proposed garnishment, and you have an opportunity for a hearing on your objection.

You may object for reasons concerning the default status or the amount of the debt.

You may also object on the basis that making installment payments in amounts equal to 10% of your disposable pay, or having payments in that amount withheld from your disposable wages, would constitute an undue hardship in light of your total financial circumstances.

Make your objection by checking the appropriate area on the enclosed **REQUEST FOR HEARING form**. The hearing will include a review of your written statement, all documents and records maintained on your loan by ED, and any and all documentation submitted or presented by you to the ED hearing office. **Your hearing request must be postmarked by the above response deadline in order to delay garnishment of your wages. If your request for a hearing is postmarked after the above date, you will still receive a hearing but your request will not delay this garnishment.**

3. You are entitled to have garnishment action waived if you have been employed at your current employer less than twelve (12) months and were involuntarily separated from your previous employment. If this is your current situation, please provide written documentation to the Customer Service address noted below.

4. Your employer may not discharge you from employment, nor take disciplinary action against you as a result of an Order for Withholding; nor can a prospective employer refuse to employ you as a result of this proposed action or existence of an Order for Withholding. If an employer takes any of these actions, you may sue that employer in a state or federal court for reinstatement, back pay, attorney's fees, and punitive damages.

Payment In Full To:                   U.S. Department of Education  
National Payment Center  
P.O. Box 4142  
Greenville, Texas 75403-4169

Customer Service:                   Collection Agency  
Borrower's POB Correspondence Address  
(999) 999-9999

Enclosure

**REQUEST FOR HEARING**



NAME: \_\_\_\_\_ SSN: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_  
  
EMPLOYER: \_\_\_\_\_  
ADDRESS: \_\_\_\_\_  
TELEPHONE: \_\_\_\_\_  
BEGINNING DATE OF CURRENT EMPLOYMENT: \_\_\_\_\_

If you object to garnishment of your wages for repayment of the student loan account described in the notice, you can use this form to request a hearing.

**If you wish to arrange a voluntary agreement for payments in amounts equal to 10% of your disposable pay, DO NOT USE THIS FORM. INSTEAD, call the Customer Service number below. VIOLATION OF ANY SUCH AGREEMENT MAY RESULT IN AN IMMEDIATE ORDER TO YOUR EMPLOYER FOR GARNISHMENT OF 10% OF YOUR DISPOSABLE PAY.**

**( ) CHECK HERE if you object on the basis that you cannot afford installment payments in amounts equal to 10% of your disposable pay, OR contact customer service at the number below.**

**You will be mailed FINANCIAL DISCLOSURE FORMS that you should complete to support your claim, and return, with copies of all earnings and income statements, monthly billing statements, and current medical and other emergency billing statements. Unless you state that you want an oral hearing by telephone or in person, ED will make its determination of the reasonable and affordable amounts you should pay based on a review of your written materials.**

**NOTE: IT IS IN YOUR INTEREST TO REQUEST COPIES OF ALL DOCUMENTATION HELD BY ED BY CALLING THE CUSTOMER SERVICE NUMBER BELOW PRIOR TO COMPLETING A REQUEST FOR HEARING.**

**I. HEARING REQUEST (Check ONLY ONE of the following). Then complete Parts II & III of this Form.**

- A. ( ) I want a written records hearing of my objection(s) based on ED's review of this written statement, the documents I have enclosed, and the records in my loan file at ED.
- B. ( ) I want an in-person hearing at the ED hearing office to present my objection(s). I understand that I must pay my own expenses to appear for this hearing.
- C. ( ) I want a hearing by telephone to present my objections. You must provide a daytime telephone number that you can be contacted at during the hours of 8:00 am to 4:00 p.m. , Monday through Friday.

**II. Check the objections that apply. EXPLAIN any further facts concerning your objection on a separate sheet of paper. ENCLOSE the documents described here (if you do not enclose documents, ED will consider your objection(s) based on the information on this form and the documentation held by ED).**

1. ( ) I do not owe the full amount shown because I repaid some or this entire loan. (ENCLOSE copies of the front and back of all checks, money orders and any receipts showing payments made to the holder of the loan.)
2. ( ) I am making payments on this loan as required under the repayment agreement I reached with the holder of the loan. (ENCLOSE copies of the repayment agreement and copies of the front and back of checks where you paid on the agreement.)
3. ( ) I filed for bankruptcy and my case is still open. (ENCLOSE copies of any document from the court that shows the date that you filed, the name of the court, and your case number.)

4. ( ) This loan was discharged in bankruptcy. (ENCLOSE copies of loan discharge order and the schedule of debts filed with the court.)
5. ( ) The borrower has died. (ENCLOSE copy of borrower's Death Certificate.)
6. ( ) I am totally and permanently disabled - unable to work and earn money because of an impairment that is expected to continue indefinitely or result in death. (ENCLOSE recent letter from physician, identifying the condition, and certifying that it has resulted in your total and permanent disability, providing the date the condition became disabling.)
7. ( ) I used this loan to enroll in \_\_\_\_\_(school) on or about \_\_/\_\_/\_\_, and I withdrew from school on or about \_\_/\_\_/\_\_. The school did not pay the lender the refund that it should have. I paid the school \$\_\_\_\_\_ and I should have been credited with a refund of \$\_\_\_\_\_. (ENCLOSE any records you have showing your withdrawal date.)
8. ( ) I used this loan to enroll in \_\_\_\_\_(school) on or about \_\_/\_\_/\_\_, and while I was still enrolled, the school closed on or about \_\_/\_\_/\_\_. I request an application for discharge of my loan for this reason.
9. ( ) This is not my Social Security Number, and I do not owe this loan. (ENCLOSE a copy of your driver's license or other identification issued by a federal, state or local government agency, and a copy of your Social Security Card.)
10. ( ) I believe that this loan is not an enforceable debt in the amount stated for the reason explained in the attached letter. (Attach a letter explaining any reason other than those listed above for your objection to collection of this loan amount by garnishment of your salary. ENCLOSE any supporting documentation.)
11. ( ) I did not have a high school diploma or GED when I enrolled at the school I attended with this loan, I believe that the school did not properly test my ability to benefit from the program, and I want to file an application for discharge of my loan for this reason. [Application form will be mailed to you and must be completed and returned within 30 days.]

**III. I state under penalty of perjury that the statements I have made on this request are true and accurate to the best of my knowledge.**

**DATE:**\_\_\_\_\_ **SIGNATURE:** \_\_\_\_\_

SEND THIS REQUEST FOR HEARING FORM TO:

Customer Service:      Collection Agency  
Borrower's POB Correspondence Address  
(999) 999-9999



## UNITED STATES DEPARTMENT OF EDUCATION

Atlanta Federal Center Tower  
61 Forsyth Street, SW, Room 19T89  
Atlanta, GA 30303

ATLANTA SERVICE CENTER

# 'FACSMILE'

(Second Notice to Borrower)

\_\_\_\_\_  
\_\_\_\_\_  
\_\_\_\_\_

<SSN>  
<BALANCE>

## FINAL NOTICE OF WAGE GARNISHMENT FOR DEBT OWED TO U.S. GOVERNMENT

You have failed to respond to a previous **Notice of Proposed Wage Garnishment** sent to you by the U.S. Department of Education (ED), which included a demand for payment on the outstanding student loan debt held by ED, and detailed the steps you otherwise must take to defend against garnishment of your wages as payment toward this debt. **As a result of your non-response, ED will order your employer to begin withholding 10% of your disposable pay every pay period until the balance**

**is paid-in-full.** (NOTE: The amount actually withheld pursuant to this order may be less than this amount, depending on the amount of your disposable pay and other claims against you. Disposable pay constitutes all compensation remaining after the deduction of all amounts required by law to be withheld.) The unpaid principal portion of the balance noted above will continue to accrue interest. Your employer will be required under federal law to comply with the order.

You can have this wage garnishment action cancelled at any time by sending payment in full to the National Payment Center listed below. The balance shown includes the outstanding principal, accrued interest, and assessed fees. Make all payment instruments payable to "U.S. Department of Education" and include your name and Social Security Number on the face of the payment instrument.

You may still exercise the rights to contest this action as cited in our original Notice of Proposed Wage Garnishment. However, because you failed to comply with the terms of the previous notice, your exercise of these rights will not result in the delay of wage garnishment.

Payment In Full To:           U.S. Department of Education  
                                      National Payment Center  
                                      P.O. Box 4142  
                                      Greenville, Texas 75403-4169

Customer Service:           Collection Agency  
                                      Borrower's POB Correspondence Address  
                                      (999) 999-9999

\_\_\_\_\_  
\_\_\_\_\_ Service Center

REPORT DATE: 12/31/98  
PROGRAM-ID GDAWG750

U.S. DEPARTMENT OF EDUCATION  
FEDERAL FAMILY EDUCATION LOAN PROGRAM  
ADMINISTRATIVE WAGE GARNISHMENT SUBSYSTEM

PAGE NO. 1

EMPLOYMENT CONFIRMATION REPORT FOR P-00000000-000, XYZ CORPORATION

"FACSMILE"

TO: XYZ CORPORATION  
99999 XYZ STREET  
ATLANTA

GA 30303-3444

PLEASE FILL OUT AND RETURN THE ATTACHED FORM TO THE DEPARTMENT OF EDUCATION ADDRESS BELOW, ONLY IF YOUR EMPLOYEE'S STATUS HAS CHANGED. OTHERWISE, USE THIS REPORT FOR INFORMATIONAL PURPOSES ONLY.

**U.S. DEPARTMENT OF EDUCATION  
NATIONAL PAYMENT CENTER  
P.O. BOX 4142  
GREENVILLE, TX 75403-4142**

LEGEND: PAYMENT SCHEDULE: (W) WEEKLY, (B) BI-WEEKLY, (S) SEMI-MONTHLY, (M) MONTHLY,  
(Q) QUARTERLY.  
PAYMENT TYPE: (F) FIXED AMOUNT, (V) VARIABLE AMOUNT  
EMPLOYEE STATUS: (E) EMPLOYED, (U) UNEMPLOYED

NOTE: THE CURRENT CERTIFIED BALANCE MAY BE ADJUSTED DUE TO THE NUMBER OF APPLICABLE DEBTS  
ALSO, THE BALANCE SHOWN WILL NOT BE REDUCED BY THE AMOUNT OF PAYMENT REMITTED DUE TO ADDITIONAL  
COSTS, (I.E. COLLECTION FEES AND ACCRUING INTEREST) SINCE THE TIME THE LAST PAYMENT WAS RECEIVED.

REPORT DATE: 05/01/00  
PROGRAM- ID: GDAWG750

U.S. DEPARTMENT OF EDUCATION  
FEDERAL FAMILY EDUCATION LOAN PROGRAM  
ADMINISTRATIVE WAGE GARNISHMENT SUBSYSTEM

PAGE NO: 2

EMPLOYMENT CONFIRMATION REPORT FOR P-0000000000-000, XYZ CORPORATION

**"FACSMILE"**

| SSN         | DEBTOR NAME | ED<br>BALANCE | PAYMENT SCHEDULE |       | PAY TYPE |       | EMPLOYEE<br>STATUS | TERMINATION<br>DATE |
|-------------|-------------|---------------|------------------|-------|----------|-------|--------------------|---------------------|
|             |             |               | CURRENT          | NEW   | CURR     | NEW   |                    |                     |
| 000-00-0000 | J..DOE      | \$ 4,500.00   | MONTHLY          | _____ | V        | _____ | _____              | _____               |



**THE UNITED STATES DEPARTMENT OF EDUCATION**  
Administrative Wage Garnishment Compliance Branch  
61 Forsyth Street., Room 19T89  
Atlanta Federal Center Tower  
Atlanta, GA 30365

**ATLANTA SERVICE CENTER**

**"FACSMILE"**

99999 XYZ STREET  
ATTN PAYROLL  
ATLANTA GA 30303-3444

DATE: MAY 18, 2000

JOHN DOE-999-99-9999      **LAST PMT RECVD APRIL 3, 2000 AMT: \$250.00**

AN ORDER FOR WITHHOLDING OF EMPLOYEE WAGES PERTAINING TO THE ABOVE INDIVIDUAL WAS PREVIOUSLY ISSUED BY THE US DEPARTMENT OF EDUCATION (ED) PURSUANT TO SECTION 488A OF THE HIGHER EDUCATION ACT OF 1965, AS AMENDED (20 U.S.C. 1095A). ED'S RECORDS REFLECT THAT YOU COMPLIED WITH THIS ORDER AND BEGIN REMITTING PAYMENTS FOR THE ABOVE NAME EMPLOYEE, HOWEVER ED HAS NOT RECEIVED A REMITTANCE FROM YOU WITHIN THE LAST 45 DAYS.

SECTION 488A OF THE ACT, WHICH AUTHORIZES ED TO ORDER AN EMPLOYER TO WITHHOLD 10% OF AN EMPLOYEE'S DISPOSABLE PAY COMPENSATION OF ANY INDIVIDUAL REMAINING AFTER THE DEDUCTION OF ANY AMOUNTS REQUIRED TO BE HELD BY LAW), ALSO AUTHORIZES ED TO BRING SUIT AGAINST ANY EMPLOYER WHO FAILS TO WITHHOLD AND REMIT WAGES AFTER RECEIPT OF AN ORDER FOR WITHHOLDING. IN SUCH SITUATION, ED IS ENTITLED TO SEEK THE AMOUNT THAT YOUR FIRM HAS FAILED TO WITHHOLD AS WELL AS ATTORNEY'S FEES, COURT COST, AND PUNITIVE DAMAGES FROM OUR FIRM. UNLESS WE RECEIVE THE REQUIRED PAYMENT FROM YOUR FIRM WITHIN 30 DAYS OF THE DATE OF THIS LETTER, ED WILL PURSUE ENFORCEMENT OF THE GARNISHMENT ORDER IN FEDERAL COURT.

PLEASE MAKE ALL PAYMENT INSTRUMENTS PAYABLE TO "U.S. DEPARTMENT OF EDUCATION" AND INCLUDE A MANIFEST SHEET WITH THE EMPLOYEE'S NAME AND SOCIAL SECURITY NUMBER ALONG WITH THE PAYMENT INSTRUMENT.

PAYMENT TO: U.S. DEPARTMENT OF EDUCATION  
NATIONAL PAYMENT CENTER  
P.O. BOX 4142  
GREENVILLE, TX 75403-4142

INQUIRES CONCERNING THIS NOTICE SHOULD BE DIRECTED TO THE CUSTOMER SERVICE NUMBER BELOW:

**CUSTOMER SERVICE: U.S. DEPARTMENT OF EDUCATION  
NATIONAL PAYMENT CENTER  
P.O. BOX 4142  
GREENVILLE, TX 75403-4142  
(404) 562-6013**

**L FOR ADDITIONAL INFORMATION REFERE TO US DEPARTMENT OF EDUCATION (ED) EMPLOYER HANDBOOK, WHICH CAN BE FOUND AT: [www.awgcompl@ed.gov](mailto:www.awgcompl@ed.gov)**

SINCERELY,

---

Director, Washington Service Center

**AUTHORS**

**The Administrative Wage Garnishment Compliance Branch**

Adam Evans

.....Acting Supervisory Loan Analyst

|                       |                          |
|-----------------------|--------------------------|
| Carolyn Toomer        | .....Senior Loan Analyst |
| Wilma Bradley         | ..... Loan Analyst       |
| Shirley Halorday      | .....Loan Analyst        |
| Davie Haynes          | .....Loan Analyst        |
| Harold Hill           | .....Loan Analyst        |
| Deborah Murphy-Harris | .....Loan Analyst        |
| Don Kimble            | .....Loan Assistant      |

*Special Thanks to PBO Frontline Team Members*

Bessie Shelton, Management Assistant  
 Marie Young, Management Analyst

Sources:

|                      |                                |
|----------------------|--------------------------------|
| Kathryn Griffin      | .....Management Analyst        |
| Arva Reeves          | .....Management Analyst        |
| Jennifer L. Woodward | .....Office of General Counsel |

Texas Guaranteed Student Loan Corporation Handbook